

ARTICLE APPEARED  
ON PAGE B-20

NEW YORK TIMES  
18 FEBRUARY 1983

## U.S. Jury Clears Briton in an Arms Smuggling Case

DALLAS, Feb. 17 (AP) — A British international arms dealer has been found not guilty of charges he conspired to smuggle weapons to Iran and Iraq, which are at war with each other.

"I believe in justice in my county and now in yours," Ian Smalley, 42 years old, said after the verdict was returned Wednesday. "The system works."

The jurors reached a decision after three full days of deliberations, and after telling Federal District Judge Robert Hill on Tuesday they were deadlocked. The judge told them to deliberate further.

Mr. Smalley, a British subject who owns a 2,000-acre ranch in Texas, was accused of conspiring to illegally export 8,300 antitank missiles to Iraq and 100 tanks to Iran. Mr. Smalley still faces charges of violating United States customs and as well as arms smuggling charges in Britain.

### A No-Witness Defense

The chief defense lawyer, Richard Haynes, did not call any witnesses. He argued that Government agents and informers had tricked Mr. Smalley into thinking he was aiding a covert White House operation to bolster Iran's military against a possible invasion by the Soviet Union at the time United States citizens were being held hostage by Iran.

The jury foreman, Thomas Dyer,



United Press International

Ian Smalley earlier this month at Federal Court in Dallas.

said the prosecution presented a very weak case. "I think the Government owes him an apology," Mr. Dyer said of Mr. Smalley. "I was outraged when I heard the evidence. I was shocked because they hadn't made their case."

Mr. Dyer said the jury voted for acquittal, 11 to 1, early in the deliberations. When the jurors told Judge Hill they were deadlocked, the judge rejected a motion by Mr. Haynes for a mistrial and instructed the jury to deliberate further.

### Knew the Case Was Weak

United States Attorney James A. Rolfe conceded that "the case had problems going in" because many other Federal prosecutors had turned it down. But he said he did not regret deciding to prosecute.

Mr. Rolfe asserted that false documents showed the tanks were headed for the United Arab Emirates and the missiles were to go to Jordan. But he said that once they left the United States the weapons were to have been diverted to their actual destinations.

The Government's case against Mr. Smalley was based on about 75 hours of tape-recorded conversations between Mr. Smalley and two Government informers.

Mr. Dyer said the jurors discounted all of the testimony of a prosecution witness, Gary Howard, a licensed arms dealer. Mr. Howard said he had received \$1.2 million from Mr. Smalley.

Mr. Smalley's lawyers contended the money had been stolen from their client and that Mr. Howard was testifying to cover a bad debt.